

**BHSL Properties Limited**

**(Registered No. 1553924)**

**Directors' Report and Financial Statements**

**For the Year Ended 31 December 2008**



# **BHSL Properties Limited**

## **Report of the Directors for the year ended 31 December 2008**

The directors present their annual report and the audited financial statements for the year ended 31 December 2008.

### **1. Principal activity**

The principal activity of the company is the development and leasing of hospital properties, which when completed are leased on a commercial basis. The activity was discontinued in the year ended 31 December 2007.

### **2. Review of the business**

The directors consider that the company has performed to plan during the year and do not foresee any significant changes in the forthcoming year. The leasing arrangements were terminated as at 31 December 2007.

### **3. Results and dividends**

The profit for the year, before taxation and before dividends amounted to £35,143 (2007: £43,782). No dividend is proposed for 2008 (2007: £nil).

### **4. Directors**

The names of persons who were directors at any time during the year are as follows:

N T Beazley	
J P Davies	Resigned 23 May 2008
F D Gregory	
M A Merchant	Appointed 23 May 2008
R King	Resigned 15 May 2008

### **5. Companies (Audit, Investigations and Community Enterprise) Act 2004**

As at the date of this report, indemnities are in force under which the company has agreed to indemnify the directors, to the extent permitted by law and the company's articles of association, in respect of all losses arising out of, or in connection with, the execution of their powers, duties and responsibilities, as directors of the company.

### **6. Auditors**

Pursuant to a shareholders' resolution, the company is not obliged to reappoint its auditors annually and KPMG Audit Plc will therefore continue in office.

### **7. International Financial Reporting Standards**

The ultimate parent undertaking has prepared Group accounts in accordance with International Financial Reporting Standards (IFRS). The company is not required to report under IFRS and therefore these accounts are prepared in accordance with applicable UK accounting standards.

### **8. Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

**BHSL Properties Limited**

**Report of the Directors  
for the year ended 31 December 2008 - continued**

**9. Disclosure of Information to Auditors**

The directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Registered Office :

Bupa House  
15-19 Bloomsbury Way  
London  
WC1A 2BA

13 March 2009

By Order of the Board



For and on behalf of  
Bupa Secretaries Limited  
Secretary

## **BHSL Properties Limited**

### **Statement of directors' responsibilities in respect of the Directors' report and the financial statements**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **BHSL Properties Limited**

### **Independent auditors' report to the members of BHSL Properties Limited**

We have audited the financial statements of BHSL Properties Limited for the year ended 31 December 2008 which comprise the Profit and Loss Account, the Balance Sheet, Reconciliation of Movements in Shareholders' Funds and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 3.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**BHSL Properties Limited**

**Independent auditors' report to the members of BHSL Properties Limited - continued**

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2008 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

*KPMG Audit Mc*

**KPMG Audit Plc**  
*Chartered Accountants*  
*Registered Auditor*  
13 March 2009

8 Salisbury Square  
London EC4Y 8BB

**BHSL Properties Limited****Profit and Loss Account  
for the year ended 31 December 2008**

	<i>Note</i>	2008 £	2007 £
Operating expenses		(3)	-
<b>Operating loss</b>		<u>(3)</u>	<u>-</u>
Interest receivable and similar income	4	49,367	49,573
Interest payable and similar charges	5	<u>(14,221)</u>	<u>(5,791)</u>
<b>Profit on ordinary activities before taxation</b>		35,143	43,782
Tax on profit on ordinary activities	7	<u>(10,016)</u>	<u>(13,134)</u>
<b>Profit for the financial year</b>		<u>25,127</u>	<u>30,648</u>

The operating result is all derived from discontinued operations.

There were no recognised gains or losses other than the profit for the financial year of £25,127 (2007: £30,648).

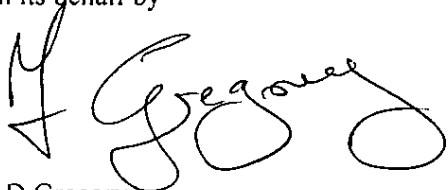
There were no material differences between reported profit and losses and historical profit and losses on ordinary activities before and after taxation.

The accounting policies and notes on pages 9 to 12 form part of these financial statements.

**BHSL Properties Limited****Balance Sheet  
as at 31 December 2008**

	<i>Note</i>	2008 £	2007 £
<b>Current assets</b>			
Debtors - due within one year	8	1,057,770	1,008,400
Cash at bank and in hand		<u>14,906</u>	<u>14,911</u>
		1,072,676	1,023,311
<b>Creditors: amounts falling due within one year</b>	9	(269,666)	(245,428)
<b>Net current assets</b>		<u>803,010</u>	<u>777,883</u>
<b>Net assets</b>		<u>803,010</u>	<u>777,883</u>
<b>Capital and reserves</b>			
Called up share capital	10	2	2
Profit and loss account	11	<u>803,008</u>	<u>777,881</u>
<b>Equity shareholders' funds</b>		<u>803,010</u>	<u>777,883</u>

These financial statements were approved by the Board of Directors on 13 March 2009 and were signed on its behalf by



F D Gregory  
Director

The accounting policies and notes on pages 9 to 12 form part of these financial statements.

**BHSL Properties Limited****Reconciliation of movements in shareholders' funds  
for the year ended 31 December 2008**

	2008 £	2007 £
<b>Retained profit for the year</b>	25,127	30,648
<b>Net addition to shareholders' funds</b>	25,127	30,648
Opening shareholders' funds	777,883	747,235
<b>Closing shareholders' funds</b>	803,010	777,883

**Notes to the Financial Statements  
for the year ended 31 December 2008**

**1. Accounting policies**

**Basis of preparation**

The financial statements have been prepared in accordance with applicable accounting standards, under the historical cost accounting convention and on a going concern basis.

As the company is a wholly owned subsidiary undertaking of The British United Provident Association Limited (Bupa), a company registered in England and Wales, which publishes consolidated accounts, the company has pursuant to paragraph 17 of Financial Reporting 'Standard No. 8: Related Party Disclosure (FRS 8) not included details of transactions with other Bupa group companies which are subsidiary undertakings of the Bupa group. There were no other related party transactions.

**Cash flow statement**

Under Financial Reporting Standard No 1: Cash flow statements (revised 1996) (FRS 1) the company is exempt from the requirement to prepare a cash flow statement, on the grounds that it is a wholly owned subsidiary undertaking of The British United Provident Association Limited, a company that prepares a consolidated cash flow statement for the Bupa Group.

**Accounting conventions**

All accounting policies have been applied consistently during the year.

**Taxation including deferred taxation**

The charge for taxation is based on the result for the year and takes into account deferred tax.

Deferred tax is provided in full on all timing differences that have originated, but not reversed, at the balance sheet date which result in an obligation to pay more, or a right to pay less or to receive more, tax with the following exception:

- Deferred tax assets are recognised only to the extent that is considered more likely than not that there will be suitable taxable profits from which the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on current tax rates and laws.

Trading losses surrendered to other Group subsidiary undertakings are made on a full payment basis.

## BHSL Properties Limited

### Notes to the Financial Statements for the year ended 31 December 2008

#### 2. Immediate and ultimate parent undertakings

The immediate parent undertaking of BHSL Properties Limited is BHS (Holdings) 2006 Limited, a company registered in England and Wales.

The largest group in which the results of the company are consolidated is that headed by The British United Provident Association Limited (Bupa), which is registered in England and Wales. The smallest group in which they are consolidated is that headed by Bupa Finance plc, which is registered in England and Wales. No other group financial statements include the results of the company. The consolidated financial statements of these groups are available to the public from The Registrar of Companies, Cardiff, CF14 3UZ.

#### 3. Staff costs and directors' remuneration

The company had no employees during the year (2007: nil) and consequently incurred no staff costs. No remuneration was paid to any of the directors for the year (2007: £ nil).

#### 4. Interest receivable and similar income

	2008 £	2007 £
Receivable from Group undertakings	<u>49,367</u>	<u>49,573</u>

#### 5. Interest payable and similar charges

	2008 £	2007 £
Payable to Group undertakings	<u>14,221</u>	<u>5,791</u>

#### 6. Auditors' remuneration

	2008 £	2007 £
Fees for the audit of the company	<u>1,000</u>	<u>1,079</u>

Fees for the audit of the company represent the amount receivable by the company's auditors. The amount may not be borne by the company.

Fees paid to the company's auditors, KPMG Audit Plc, and its associates for services other than the statutory audit of the company are not disclosed in these accounts since the consolidated accounts of Bupa, the ultimate parent undertaking, are required to disclose non-audit fees on a consolidated basis.

# BHSL Properties Limited

## Notes to the Financial Statements for the year ended 31 December 2008

### 7. Tax on profit on ordinary activities

#### (i) Analysis of tax charge

	2008 £	2007 £
Current tax		
UK corporation tax on profits of the year	10,016	13,135
Adjustments in respect of prior periods	-	(33,522)
	<u>10,016</u>	<u>(20,387)</u>
Deferred tax		
Adjustments in respect of prior periods	-	33,521
	<u>-</u>	<u>33,521</u>
Tax on profit on ordinary activities	<u>10,016</u>	<u>13,134</u>

#### (ii) Factors affecting the tax charge

The tax assessed for the year is higher than (2007: lower) the standard rate of corporation tax in the UK of 28.5% (2007: 30%). The differences are explained below:

	2008 £	2007 £
Profit on ordinary activities before taxation	<u>35,143</u>	<u>43,782</u>
Tax charge on profit on ordinary activities at 28.5% (2007: 30%)	10,016	13,135
Effects of:		
Adjustments to tax charge in respect of prior periods	-	(33,522)
	<u>-</u>	<u>(33,522)</u>
Total tax charge/(credit) for the year	<u>10,016</u>	<u>(20,387)</u>

### 8. Debtors - amounts falling due within one year :

	2008 £	2007 £
Amounts owed by Group undertakings	<u>1,057,770</u>	<u>1,008,400</u>

### 9. Creditors - amounts falling due within one year :

	2008 £	2007 £
Amounts owed to Group undertakings	269,166	244,928
Accruals and deferred income	<u>500</u>	<u>500</u>
	<u>269,666</u>	<u>245,428</u>

**BHSL Properties Limited****Notes to the Financial Statements  
for the year ended 31 December 2008**

<b>10. Share capital</b>	<b>2008</b>	<b>2007</b>
	<b>£</b>	<b>£</b>
<b>Authorised</b>		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
 <b>Allotted, called-up and fully paid</b>		
2 ordinary shares of £1 each	<u>2</u>	<u>2</u>
 <b>11. Reserves</b>		
		<b>Profit and loss account £</b>
At 1 January 2008		777,881
Profit for the financial year		25,127
		<u>803,008</u>
At 31 December 2008		
 <b>12. Guarantees &amp; other financial commitments</b>		

The company has given a guarantee and other undertakings, as part of the Group banking arrangements, in respect of the overdraft and loans of certain other Group undertakings.